

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 857

Short Title: Tipped Employee Minimum Wage Change. (Public)

Sponsors: Representatives Fisher, Harrison, L. Hall, and Luebke (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Rules, Calendar, and Operations of the House.

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LABOR LAWS OF NORTH CAROLINA TO REDUCE THE
AMOUNT OF TIPS THAT MAY BE COUNTED AS WAGES OF TIPPED
EMPLOYEES THROUGH DECEMBER 31, 2016, AND REQUIRING
SUBSEQUENTLY THAT NO TIPS MAY BE COUNTED AS WAGES.

The General Assembly of North Carolina enacts:

SECTION 1. Effective January 1, 2016, until December 31, 2016, G.S. 95-25.3(f)
reads as rewritten:

"(f) Tips earned by a tipped employee may be counted as wages only up to the amount permitted in section 3(m) of the Fair Labor Standards Act, 29 U.S.C. 203(m), if the tipped employee is notified in advance, is permitted to retain all tips and the employer maintains accurate and complete records of tips received by each employee as such tips are certified by the employee monthly or for each pay period. Even if the employee refuses to certify tips accurately, tips may still be counted as wages when the employer complies with the other requirements of this section and can demonstrate by monitoring tips that the employee regularly receives tips in the amount for which the credit is taken. wages only up to the amount of five dollars (\$5.00) per hour. Tip pooling ~~shall also be~~ is permissible among employees who customarily and regularly receive tips; however, no employee's tips may be reduced by more than fifteen percent (15%) under a tip pooling arrangement."

SECTION 2. Effective January 1, 2017, G.S. 95-25.3(f), as amended by Section 1
of this act, reads as rewritten:

"(f) Tips earned by a tipped employee ~~may be counted as wages only up to the amount of five dollars (\$5.00) per hour.~~ shall not be counted as wages. Tip pooling is permissible among employees who customarily and regularly receive tips; however, no employee's tips may be reduced by more than fifteen percent (15%) under a tip pooling arrangement."

SECTION 3. This act is effective when it becomes law.

